

**Remarks:**

Applicants reply to the Office Action mailed September 26, 2006 within two months. Thus, Applicants request an Advisory Action, if necessary. Claims 1-12 were pending in the application and claims 1-12 were rejected by the Examiner. Support for the amendments may be found in the originally-filed specification, claims, and figures. No new matter has been introduced by these amendments and new claims. Reconsideration is respectfully requested.

**Rejections under 35 U.S.C. §103(a)**

The Examiner rejects claims 1-10 under 35 U.S.C. § 103(a) as being unpatentable over Burton, et al., EPA 0 308 224 (“Burton”) in view of Cohen, et al., U.S. Patent No. 4,750,119 (“Cohen”). Applicants respectfully traverse this rejection.

Applicants agree that Burton discloses many elements of a charge card billing system, wherein monetary amounts are contributed by a non-cardholder (i.e., employer of the cardholder). Significantly, Applicants assert that the presently claimed invention goes well beyond a charge card billing system. In particular, the presently claimed invention includes, and Burton does not disclose, a combined remittance of user funds. Burton discloses an allocation/remittance by a non-user (employer), and even if the user submitted a remittance for the amount not covered by the award points, the participant still does not submit a combined remittance which also includes extra funds for allocation to an investment product based on hierarchy rules. To highlight this difference, Applicants amend the claims to clarify that user funds are remitted. (e.g., “user combined remittances of user funds, wherein said combined remittances include a portion of said user funds to satisfy debts related to said previously established financial events disclosed in said periodic statement and a portion of said user funds for at least one investment product,” (emphasis added) as similarly recited in independent claims 1 and 6).

The Examiner asserts that Cohen has been applied to “show teachings of allocating or distributing funds to at least one investment product” (Office Action, page 4). Significantly, Applicants assert that Cohen is limited to the purchaser paying the exact amount of the cost of the goods (i.e., no extra funds are provided by the purchaser). As set forth in Column 3, lines 63-64, “The purchaser then sends the funds, representing the cost of the goods and services . . .” (emphasis added). In contrast, the user in the presently claimed invention remits a combined remittance with extra funds beyond the charged amount. As similarly set forth in independent claims 1 and 6, “wherein said combined remittances include . . . and a portion of said user funds for at least one investment product.”

Moreover, the Cohen system requires that the host negotiate a lower cost for the goods with each merchant that desires to participate in the Cohen system. Moreover, the Cohen system requires that the host negotiate for all goods and services that the user may potentially purchase, which is obviously very inefficient. The lower cost is required so that the Cohen system can pay the merchant an amount lower than the amount charged to, and remitted by, the user, in order to fund the annuity contract. As the Examiner may know, merchants who accept credit cards already accept a lower amount than the amount charged, upon settlement as a payment to the card processor. Accordingly, the merchants are not inclined to accept a further reduced amount. In contrast, in the presently claimed invention, the entire amount charged to, and remitted by, the user is paid to the merchant. The user of the presently claimed invention also submits extra funds which are used for an investment product. Payment to the merchants of the entire amount charged to the user is a significant difference because the host of the presently claimed invention does not need to separately negotiate a lower price with each merchant (which may include thousands of merchants) for all goods and services that a user may potentially purchase in the future. In fact, the merchants in the presently claimed invention are not required to “participate” in the system whatsoever, not required to provide any discounts, and the present system is virtually transparent to the merchants. To further clarify that the entire cost of the goods charged to the user is paid by the user in the presently claimed invention, Applicants amend the claims to recite “to satisfy debts charged to said user from said previously established financial events . . . “ (emphasis added), as similarly recited by independent claims 1 and 6.

Furthermore, the Cohen system requires that all funds be used to purchase a group annuity contract. In other words, Cohen does not allow the purchasers to select an investment product such as, for example, individual stocks. Importantly, if Cohen does not allow selection of an investment product, then Cohen would have absolutely no need for hierarchy rules to determine an allocation to a different investment products. As such, Cohen again teaches away from the claimed invention because the benefit of Cohen is to combine premiums to obtain a better rate on one group policy. In contrast, a major benefit of the claimed invention is that it uses a hierarchy to allow the card member to divide up his investment remittances, and to not only choose his own investments, but it allows the card member to choose from multiple investments. Indeed, the Cohen system does not include or suggest at least “user investment instruction information” or “an investment payment hierarchy system for establishing rules for distributing funds . . . ,” as similarly set forth in independent claims 1 and 6.

Dependent claims 2-5 and 7-10 variously depend from independent claims 1 and 6, so dependent claims 2-5 and 7-10 are patentable for at least the same reasons for differentiating the independent claims, as well as in view of their own respective features.

Additionally, in the Examiner's "Response to Arguments" section, the Examiner states that Burton provides "funds to a cardholder based on the amount charged in that card during a given period" (page 2). Applicants respectfully assert that the Burton system allocates monetary amounts based upon participant performance, and the card is merely a tool for the company to distribute awards and for the participant to use the awards to obtain goods. In other words, the Burton "monetary amounts" are not funds; rather, Burton allocates awards in the form of credits into a credit card account, wherein the value of the credits simply equate to a monetary amount (e.g., 25,000 frequent flyer miles has a monetary value of a free airline ticket or about \$400). Also, the Burton allocation is based upon the participant performance (e.g., an employee closing a large number of deals in one month for the company), and is not based upon the amount charged on the card.

The Examiner next states that "a specific or selected amount of funds is used or allocated for a special use planned by the cardholder" (Office Action, page 2). Applicants respectfully assert that a portion of the Burton awards are not invested in an investment account based on a hierarchy, as in the presently claimed invention. Rather, the Burton awards are allocated to a charge card such that the participant can freely use the award points at any participating merchant and for any product or service, without being limited to specific award products in pre-established award catalogs as in prior art systems. Following the Examiner's previous analogy of award points being equivalent to investments, the Burton system also does not include rules for distributing funds to certain award points or awards. Moreover, because all of the individual award points are equal, the Burton system also does not accept instructions from the participant about which subset of points to use (or investment instructions).

The Examiner next asserts that the Burton system allows the participant to pay a large bill if the participant points are insufficient. Applicants respectfully assert that Burton does not include any explicit discussion about participant payment of amounts not covered by the monetary equivalent of the point total. Applicants respectfully request the Examiner to cite to the specific lines of Burton containing such disclosure. Applicants also assert that it is inappropriate for the Examiner to assert that such extra payment is inherent in the Burton system. "Inherency may not be established by probabilities or possibilities. The mere fact that a certain thing *may* result from a given set of circumstances is not sufficient." (quoting *In re Oelrich*, 666 F.2d 578, 581 (CCPA 1981)).

The Examiner next asserts that the Burton participant makes an extra remittance because “a cardholder must make payments to incurred charges . . .” (Office Action, page 2). Applicants respectfully assert that the extra remittance of the presently claimed invention is a remittance amount beyond the incurred charges from the charge card.

The Examiner also asserts that the type of payment accepted by Cohen “is irrelevant” (Office Action, page 3). Applicants respectfully assert that the presently claimed invention includes a complex charge card billing system and payment infrastructure with hierarchy rules for dividing and allocating a combined remittance. The presently claimed invention requires many more steps for accepting a combined remittance, applying hierarchy rules and integrating the two complex systems (billing and investment), none of which are disclosed in Cohen. In other words, the billing system elements of independent claim 1 are not necessary for accepting other types of payments.

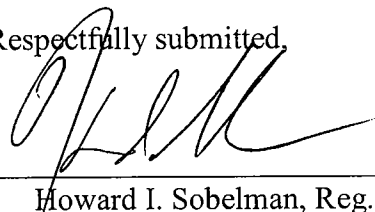
**Rejections under 35 U.S.C. §103(a)**

The Examiner next rejects claims 11-12 under 35 U.S.C. §103(a) as being unpatentable over Burton and Cohen, further in view of Sandberg-Diment, U.S. Patent No. 5,826,245 (“Sandberg”). Applicants respectfully traverse this rejection.

Dependent claims 11-12 depend from independent claims 1 and 6, respectively, so dependent claims 11-12 are patentable for at least the same reasons as set forth above, as well as in view of their own respective features.

In view of the above remarks and amendments, Applicants respectfully submit that all pending claims properly set forth that which Applicants regard as its invention and are allowable over the cited prior art. Accordingly, Applicants respectfully request allowance of the pending claims. The Examiner is invited to telephone the undersigned at the Examiner’s convenience, if that would help further prosecution of the subject application. Applicants authorize and request that any fees due be charged to Deposit Account No. 19-2814.

Respectfully submitted,

By:   
Howard I. Sobelman, Reg. No. 39,038

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**SNELL & WILMER L.L.P.**  
One Arizona Center  
400 East Van Buren  
Phoenix, Arizona 85004-2202  
(602) 382-6228  
Fax (602) 382-6070  
Email: [hsobelman@swlaw.com](mailto:hsobelman@swlaw.com)